EURO DISNEY S.C.A.

1994 Annual Report

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Disneyland® Paris

Dear Shareholders,

I write this year not only to you, our shareholders, but also to all of our cast members.

Before I do so, I would like to start with a few personal remarks about Frank Wells, one of the initiators of the Euro Disney project and President and Chief Operating Officer of The Walt Disney Company, whose tragic death in April 1994 shocked us all. Over several difficult months last year, we shared many long hours together. I now realize the privilege of sharing part of my life with an exceptional individual. His integrity and ethics — to cite just two of his many qualities — were outstanding.

Frank, like many others, believed in us during our difficulties last year. He shared our conviction that Disneyland Paris would ultimately be successful, because families throughout Europe have the same desire to share together moments of happiness and emotion. This desire will exist as long as there are families. This is the world that Walt Disney created and which we are perpetuating.

Some have suggested that we change the winning formula because "European habits" are different. Our vision continues unchanged and is reinforced by guests who tell us to be nothing else but Disney, and not a "Euro" concept. We are Disneyland and we are in Paris. It is for that reason — and that reason alone — that we changed the name of our park to Disneyland Paris.

We have had to overcome rumors and speculation. The facts speak for themselves. Since Opening, close to 28 million visitors have enjoyed Disneyland Paris. The French have clearly enjoyed the Park (ten million have visited us in the last two-and-a-half years). Germans, Belgians and Dutch in large numbers have also voted with their feet. Although the British, Italians and Spanish have not visited the Park as much as we would have wished, greater monetary stability should help our efforts in these countries.

In fact, 20% of our visitors were repeat visitors, a clear sign of appreciation of the quality of Disneyland Paris and the variety of our seasonal entertainment which included: the Lights of Christmas, the Springtime Carnival, Midsummer Nights, the Far West Festival and, in a few days, an African celebration in honor of The Lion King.

Buffalo Bill's Wild West Show, in Festival Disney, with its energy, impressive staging, artists, horses and buffalos, will shortly celebrate its 2,000th performance with over 1.2 million spectators, an outstanding feat in the Paris entertainment world.

Over the last 18 months, no stone has been left unturned to improve the Company's performance and our actions are beginning to pay off. Some of our key initiatives and accomplishments include:

- Completing a comprehensive financial restructuring,
- Implementing our new decentralized management philosophy and structure,
- Revolutionizing management by establishing 200 "small worlds" or business units,
- Improving our food, beverage and merchandise operations,
- Deciding on a new, more aggressive pricing policy (including seasonal pricing),
- Making all of our hotels more affordable,
- Adapting our selling methods, advertising and communications,
- Increasing capacity up by 25%, half due to the creation of ten new attractions,
- Creating new shows, more shows, themed for every season.

Most importantly, we have continued to improve the level of service and quality.

We experienced an increase in the number of park and hotel guests since the beginning of fiscal year 1995. However, their propensity to spend still suffers from a lack of a sustained recovery in consumer spending.

Finally, we have resumed modestly and cautiously our real estate development when we entered into an agreement with the Georges V Habitat group to build 600 housing units on our site.

Our financial problems, an unprecedented economic recession in Europe and rumors surrounding Euro Disney have only strengthened our resolve. This difficult situation drove us to be even more demanding and

created a remarkable surge of mobilization throughout the Company. Our minds are open and our will to succeed has increased tenfold.

Our situation has improved. The entire executive team at Euro Disney S.A. — Steve Burke, who has made a vital contribution, Bertrand Gaillochet, Jean-Luc Choplin, Dominique Cocquet, Xavier de Mézerac, Michel Perchet, Christian Perdrier and Malcolm Ross — has shown the talent and the enthusiasm required to continue to improve our situation.

The Euro Disney team would like to take this opportunity to thank the lenders and investors who made significant contributions to our efforts during the financial restructuring. We are grateful to HRH Prince Alwaleed for his commitment to the Company. Thank you to The Walt Disney Company for its considerable financial support, to the various Disney divisions in Europe — the Studios, Buena Vista International, Television, Consumer Products, Home Video — for their enthusiastic help and to the Disney team for their unflagging efforts.

Most of all, we would also like to thank our shareholders for the confidence they have shown by subscribing to the June 1994 rights issue.

During this difficult year, I am proud to say that our cast members never took the easy way out. They relentlessly kept the show going despite the pressure.

With conviction, day in and day out, you, our cast members, continued to present an unparalleled show while undertaking the broad operational changes required by the financial situation. Let me congratulate all of you — without your efforts we would not be where we are today.

"Space Mountain, From the Earth to the Moon", our next new attraction opening on June 1, 1995, will offer our visitors an incredibly exciting experience. Our cast members and I are proud of this exciting new attraction. We are not only launching a new attraction but relaunching the Company.

I would like to end this letter on an upbeat note, echoing a message of confidence that tens of millions of Europeans heard when they went to see The Lion King: HAKUNA MATATA!

Philippe Bourguignon, Chairman and Chief Executive Officer

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Hotel occupancy rose to 60% in the period, from 55% in fiscal 1993, due to substantially higher occupancy in the winter season as a result of reduced prices and promotional efforts undertaken in fiscal 1994.

Disneyland Paris continues to have excellent levels of satisfaction among guests who have actually visited the Park and a high level of guests visiting for a second time: a vast majority of guests are either extremely or very satisfied with their experience and an even greater number intend to recommend Disneyland Paris to a friend or relative. In addition, a substantial majority of guests visiting Disneyland Paris have an experience that is better than their expectations. These results demonstrate that in fiscal 1994 we have been able to maintain and in many cases improve the service level while significantly reducing costs.

Beginning in October 1993, the Group implemented fundamental changes in the way the operations of the Group are managed. As announced last year, the number of administrative positions was greatly reduced, which translated into substantial savings for the Group.

Management layers have been reduced to increase the responsibility of line managers and to lower costs; further substantial progress is underway in this area. Due to the important seasonality and fluctuations in activity during the daily operations, manpower flexibility (through lower-cost part time labor and optimization of work schedules) has been and will continue to be a key element of improving labor productivity. In addition, the Group has extensive training programs whose goal is to train every cast member in at least two positions. Management believes that these measures, while increasing operating efficiency, will continue to enhance the guest experience at Disneyland Paris.

As in prior years, no significant research and development was undertaken during the fiscal year by the Group.

FINANCIAL RESULTS

Revenue

The Group's total revenues were FF 4,261 million compared to FF 5,725 million in fiscal 1993.

The total revenues of the Group were generated from the following activities:

	(in millions of French francs) 1994	1993
Park	**2,212**	2,594
Hotels	**1,613**	1,721
Other	**322**	559
Operating Revenues	**4,147**	4,874
Construction sales	**114**	851
Total Revenues	**4,261**	5,725

The Group's operating revenues were FF 4,147 million for fiscal 1994, down from FF 4,874 million in fiscal 1993.

Theme Park revenues declined more than expected to FF 2,212 million in fiscal 1994 from FF 2,594 million, primarily due to the decline in attendance of 10% and lower guest spending.

Total Theme Park spending per visitor for fiscal 1994 declined approximately 4% from fiscal 1993. This decline is mainly due to planned lower admission prices in the off-peak periods, lower food and beverage prices and lower than expected attendance in the peak pricing periods.

Hotel revenues (which include Festival Disney and the Davy Crockett Ranch) were FF 1,613 million in fiscal 1994 compared to FF 1,721 million in fiscal 1993. The decrease was expected as hotel rates and food, beverage and merchandise prices were reduced by approximately 14% to improve affordability. Occupancy rose to 60% in fiscal 1994 from 55% in fiscal 1993 due to significantly higher occupancy during the winter season.

The decrease in other revenues is primarily attributable to the recognition of FF 240 million of certain non-recurring pre-opening participant fees in fiscal 1993.

Construction sales relate to the sale of operating assets that are sold at cost to, and subsequently leased back from, the Financing Companies and, as part of the financial restructuring, a subsidiary of The Walt Disney Company. Such construction sales were FF 114 million in fiscal 1994 and FF 851 million in fiscal 1993.

Costs and Expenses
Costs and expenses for the Group are comprised of direct operating costs before lease payments, royalties, and general and administrative expenses (which include marketing expenses). Principal components include operating wages, employee benefits, cost of food, beverage and merchandise sales and operating supplies.

Substantial permanent reductions in the Group's cost base mitigated the impact of the reduced revenues on the operating results. Primarily as a result of management's efforts to improve operating efficiency, costs and expenses for the Group declined approximately FF 400 million to FF 2,961 million in fiscal 1994 from FF 3,382 million in fiscal 1993.

The Gérant's management fees were waived for fiscal 1994 under the terms of the financial restructuring agreement and are not included in operating costs and expenses in fiscal 1994. For fiscal 1993, management fees of FF 145 million were accounted for in operating costs and expenses but their eventual forgiveness was recorded as exceptional income in fiscal 1993.

Operating costs and expenses were reduced mainly due to lower labor costs resulting from improved management of personnel, creating greater flexibility and efficiency in the operating departments.

Depreciation and Amortization
Depreciation and amortization expense increased to FF 291 million from FF 227 million due to the completion of new attractions during fiscal 1993 and fiscal 1994.

Lease Rental Expense
Lease rental expense primarily represents payments under financial lease arrangements with the Financing Companies and approximates the Financing Companies' related debt service payments which fluctuate with variable interest rate changes and the timing of principal repayments. Lease rental expense was significantly reduced in fiscal 1994 to FF 889 million from FF 1,712 million, principally because of the effects of the financial restructuring which included interest forgiveness, reduced payments relating to loans from the Group to the Financing Companies and prepayment of FF 4,227 million of the Finance Companies' debt to lenders in August 1994 from the proceeds of the rights issue, together with lower interest rates.

Royalties
Royalties payable to a subsidiary of The Walt Disney Company relating to the use of intellectual property are determined based on percentages of various categories of revenues, and therefore fluctuate from period to period in proportion to changes in the amount and category of revenues. Royalty payments have been waived starting in fiscal 1994 until fiscal 1998. Commencing in fiscal 1999 to fiscal 2003, royalties will be paid at half their pre-restructuring rate. As a result, no royalty expense was incurred by the Group in fiscal 1994.

General and Administrative Expenses
General and administrative expenses (which include marketing expenses) were significantly reduced by 23% to FF 854 million in fiscal 1994 from FF 1,113 million in fiscal 1993. The decrease was principally due to the staff reduction plan and other cost reductions.

Financial Income (Expense)
Net financial expense was FF 434 million in fiscal 1994 compared to net financial income of FF 104 million in fiscal 1993. The change was due to lower levels of cash, certain one-time costs of the financial restructuring and lower interest income relating to the loans between the Group and the Financing Companies mentioned above in lease rental expense.

Loss before Exceptional Loss
The Group's loss before exceptional items declined to FF 1,282 million in fiscal 1994 from FF 1,713 million in fiscal 1993. This improvement is principally due to the effects of the financial restructuring as well as general and administrative cost reductions and improved operating efficiencies.

Exceptional Loss
In fiscal 1994, the Group incurred an exceptional loss of FF 515 million principally due to non-recurring costs related to the financial restructuring, primarily bank and advisory fees.

The other important elements of the exceptional loss in fiscal 1994 were:

- Under the restructuring agreement, The Walt Disney Company and certain of its subsidiaries agreed to forgive approximately FF 1.2 billion in outstanding payables due from the Group.
- In connection with the financial restructuring, the carrying value of certain planning and development costs of the second phase were reduced by approximately FF 1.2 billion.

In fiscal 1993, exceptional expenses of FF 3,624 million were primarily due to the FF 3,213 million charge relating to the cumulative effect of the change in accounting for pre-opening and start-up costs. The remaining amount principally represented costs relating to the staff reduction plan and office consolidations.

Net Loss
The net loss of the Group decreased to FF 1,797 million in fiscal 1994 from FF 5,337 million in fiscal 1993 primarily due to the effect of the accounting change mentioned above and the positive effects of the financial restructuring.

	(in millions of French francs) 1994	1993
Loss before exceptional loss	**(1,282)**	(1,713)
Exceptional loss	**(515)**	(3,624)
Net Loss	**(1,797)**	(5,337)

INVESTMENT, FINANCING AND LIQUIDITY

Investment
The Group opened 10 new attractions from March 1993 to June 1994 and significantly advanced the construction of Space Mountain in fiscal 1994. The total capital expenditures were approximately FF 1,020 million for fiscal 1994 and were primarily related to the building of such new attractions. These new attractions were financed as part of the financial restructuring and represent the majority of the assets comprising the FF 1.4 billion sale-leaseback transaction with an indirect wholly-owned subsidiary of The Walt Disney Company. The Group pays a rent corresponding to 1% of the asset value or FF 14 million per year.

Debt
Through the financial restructuring and notably the FF 5.95 billion rights issue, the Group reduced its total principal indebtedness (including the unconsolidated Financing Companies) to FF 15.5 billion at September 30, 1994 from approximately FF 20.3 billion at year end fiscal 1993. The Group's consolidated debt, excluding accrued interest, was approximately FF 7.3 billion at year end fiscal 1994 versus FF 7.8 billion at September 30, 1993. Following the financial restructuring, the conversion ratio of the Company's convertible bonds was adjusted to one bond for 1.36 shares in accordance with the terms of the original offering prospectus.

The net proceeds of FF 5,776 million from the rights issue were used to repay bank debt. Approximately 73% or FF 4,227 million of the FF 5,776 million was lent or contributed to the Financing Companies to repay senior bank debt. The remaining 27% or FF 1,549 million was used to pay senior bank debt owed directly by the Group.

The Group has changed the profile of its debt as a result of the prepayment of its debt combined with significant interest forgiveness extending through fiscal 1996 (that is heavily weighted towards variable rate debt). Approximately 70% of the Group's debt is based on fixed rates at September 30, 1994 compared to 45% at September 30, 1993.

Liquidity
Group cash flow used in operations amounted to FF 1,422 million in fiscal 1994 compared to FF 497 million used in the prior year. This change was primarily because of receipts and disbursements relating to construction activities which negatively affected working capital. Cash flow from operations before changes

in working capital improved by approximately FF 400 million which includes the fiscal 1994 impact of the financial restructuring.

Investing activities provided FF 715 million due principally to the FF 1.4 billion sale leaseback arrangement with The Walt Disney Company as part of the financial restructuring. Financing activities raised a net FF 710 million after the issuance of the ORAs and repaying bank debt and advances from The Walt Disney Company.

The Group's level of cash and short term investments was approximately FF 1,207 million at the end of fiscal 1994 compared to FF 1,204 million at the end of fiscal 1993. In addition, The Walt Disney Company, in connection with the financial restructuring, has agreed to make available to the Group a FF 1.1 billion 10-year unsecured revolving credit facility at PIBOR.

The Group's liquidity position has improved and, combined with the positive effects of the financial restructuring and measures to improve operating efficiency, management currently believes that it has the resources necessary to meet future funding requirements arising in fiscal 1995.

Equity

In connection with the financial restructuring, the Company's shareholders approved the offset of the Company's accumulated deficit of FF 4,863 million as of September 30, 1993 against existing share premium. In addition, shareholders approved the reduction of the Company's share capital from FF 1,700 million to FF 850 million, by reducing the nominal share value from FF 10 to FF 5. The Company is proposing that fiscal year 1994 losses, in excess of the FF 850 million capital reduction, be applied against share premium generated by the rights issue. These actions will result in no net impact to equity.

Through the rights issue, the Group created approximately 595 million new shares which brought the total number of issued shares to approximately 765 million.

At the end of fiscal 1994, the Group had a net equity position of approximately FF 5.5 billion compared to FF 1.5 billion at the end of fiscal 1993. This included the net proceeds of the rights issue and the fiscal 1994 net loss.

In June 1994, the Company's shareholders approved the implementation of an employee stock option plan authorizing the issuance of stock options of up to 2.5% of outstanding shares (approximately 19 million share options). In November 1994, the Group granted 12.8 million options to 87 employees at an average market exercise price of FF 7.95 per share (the average closing market price over the 20 trading days preceding the grant without application of any discount permitted by the shareholder authorization). The options are valid for 10 years (but are not exercisable before November 1995) and become available to these employees over a 5 year period.

Dividends

No dividend allocation is proposed with respect to fiscal year 1994 and no dividends were paid with respect to fiscal year 1993. Dividends of FF 173 million (net of FF 0.68 per share to which shareholders could recover an "avoir fiscal" of FF 0.34 from the French authorities) were paid in February 1993 relating to fiscal year 1992. No dividends were paid for fiscal 1991.

Important events since the end of the year

In order to increase the affordability and improve price perception of Disneyland Paris, the Group announced on December 14, 1994 a decrease in the Theme Park admission price of an average of approximately 17% starting April 1, 1995.

The number of seasons will be simplified to two from three previously. Starting in fiscal year 1996, the peak season will start from the beginning of March to the end of September (including Christmas) and the off-peak season will be from the beginning of October to the end of February.

The peak season adult admission price will be FF 195 compared to FF 250 and FF 225 previously and the off-peak season price will be FF 150 versus FF 225 and FF 175. Child admission prices were adjusted by a less significant amount.

Selected Theme Park food and beverage prices were also reduced to improve affordability.

On January 24, 1995, the Group announced its results for the first quarter of fiscal year 1995 ending December 31, 1994. The net loss for the quarter was reduced by approximately 80% to FF 109 million from the corresponding period in fiscal 1994. This improvement is due primarily to the effect of the financial restructuring and also to increased operating margins.

Operating revenues for the Theme Park and Hotels rose to FF 854 million from FF 828 million in the comparable quarter in fiscal 1994. Attendance in the park and occupancy in the hotels improved and were largely offset by lower guest spending due mainly to lower hotel prices implemented in January 1994.

OUTLOOK

Development:

The Group's management is currently conducting marketing, feasibility and financing studies to significantly expand the convention facilities. This is the result of the strong demand for the existing Convention Center in the Hotel New York.

Business Outlook:

Based on the current levels of customer satisfaction and repeat visitation, management remains confident in the product and future prospects.

The Group's management will focus its efforts on increasing the number of first-time visitors.

Marketing efforts will be more substantial than the prior year and concentrate on core markets: France, the United Kingdom, Germany and the Benelux countries. These efforts will also be increasingly tailored to each country. The Group will capitalize on the opening and launch of Space Mountain in Spring 1995, one of the most advanced and exciting attractions in the world.

The economic environment although improving remains difficult, particularly in our industry.

Nevertheless, management continues to believe that its strategies to improve the Group's marketing effectiveness and operating efficiency will reposition the resort to increase annual attendance and operating margins, despite the difficult economic environment the Group faces. In addition, the positive effects of the financial restructuring, combined with the operating cost reductions, will help to improve the Group's financial results over the coming years.

PROPOSED RESOLUTIONS

Before deciding on the allocation of the net income for the year, we ask you to approve the Company's financial statements for the fiscal year ended September 30, 1994, as they are presented to you.

The Company's net (unconsolidated) loss for the year is FF 1,781 million, which we are proposing to allocate in part to the Reserve account of FF 850 million created when the Company changed the par value from FF 10 to FF 5 and the remainder of FF 931 million to the share premium.

We ask you to approve eight agreements subject to the provisions of article 258 of the Law of July 24, 1966 on commercial companies, authorized previously by the Supervisory Board of your Company during their meetings of March 14, 1994, April 6, 1994, May 4, 1994 and November 15, 1994 and to approve the carrying on of the duly authorized transactions entered into in the past, which remained in force during the year ended September 30, 1994.

We ask you to re-elect Mr. Jean Taittinger and Lord Grade of Elstree, whose mandates will expire at the end of the Annual General Meeting which will decide upon the financial statements of the year ended September 30, 1994, as members of the Supervisory Board for a further three years.

We ask you to renew the authorization given to the Gérant to buy and sell shares in the Company on the stock market in order to minimize fluctuations in the value of such shares. The previous authorization that was given at the last meeting has not been used.

Finally, we propose you give the Gerant of your Company, for the reasons discussed in the Special report of the Gérant, in the Supervisory Board report and in the Special report of the Statutory Auditors, various authorizations to issue debt, equity and equity-linked marketable securities.

Chessy, February 2,1995
The Gérant, Euro Disney S.A.

Philippe Bourguignon, Chairman and Chief Executive Officer

CONSOLIDATED BALANCE SHEET

	Notes (*)	(FF in millions) September 30, 1994	1993
Fixed Assets			
Intangible assets		**145**	173
Tangible assets	3	**3,140**	5,111
Long-term receivables	4	**9,568**	5,451
		12,853	10,735
Current Assets			
Inventories	5	**184**	221
Accounts receivable:			
Trade	6	**271**	313
Other	7	**763**	966
Short-term investments	8	**899**	861
Cash		**308**	343
		2,425	2,704
Deferred Charges	9	**448**	510
Total Assets		**15,726**	13,949
Shareholders' Equity			
Share capital	10	**3,825**	1,700
Share premium	10	**2,818**	4,880
Accumulated deficit	10	**(1,147)**	(5,063)
		5,496	1,517
Bonds Redeemable in Shares ("ORAs")	11	**1,002**	—
Provisions for Risks and Charges	12	**392**	601
Borrowings	13	**6,678**	8,278
Current Liabilities			
Payable to related companies	14	**77**	1,753
Accounts payable and accrued liabilities	15	**1,853**	1,640
		1,930	3,393
Deferred Revenues	16	**228**	160
Total Shareholders' Equity and Liabilities		**15,726**	13,949

(*) See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF INCOME

	Notes (*)	(FF in millions) Year ended September 30, 1994	1993
Revenues			
Theme Park and Resorts		**4,147**	4,874
Construction sales and related services	17	**114**	851
		4,261	5,725
Costs and Expenses			
Theme Park and Resorts direct operating expenses		**(2,961)**	(3,382)
Cost of construction sales and related services	17	**(114)**	(846)
Operating Income Before Fixed and Administrative Expenses		**1,186**	1,497
Depreciation and amortization		**(291)**	(227)
Lease rental expense	24	**(889)**	(1,712)
Royalties	2	**—**	(262)
General and administrative		**(854)**	(1,113)
Financial income		**538**	719
Financial expenses		**(972)**	(615)
Loss Before Exceptional Loss		**(1,282)**	(1,713)
Exceptional loss, net	18	**(515)**	(3,624)
Net Loss		**(1,797)**	(5,337)

(*) See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes (*)	(FF in millions) Year ended September 30, 1994	1993
Cash Flows from Operating Activities		**(1,422)**	(497)
Cash Flows from Investing Activities:			
Proceeds from the sale of tangible fixed assets		**1,447**	813
Capital expenditures for tangible fixed assets		**(797)**	(1,347)
Decrease (Increase) in deferred charges		**37**	(424)
Decrease (Increase) in intangible assets		**(20)**	(16)
Decrease (Increase) in long-term receivables		**48**	(124)
Cash Flows from (used in) Investing Activities		**715**	(1,098)
Cash Flows from Financing Activities:			
Net proceeds from issuance of new shares	2	**5,776**	—
Proceeds from issuance of bonds redeemable in shares	2	**1,002**	—
Prepayment of borrowings	2	**(1,549)**	—
Increase in borrowings	2	**700**	2,025
Repayment of interim financing	2	**(698)**	—
Increase in loans to Financing Companies	2	**(4,227)**	(1,339)
Increase in debt security deposit	4	**(294)**	—
Dividends paid		**—**	(173)
Cash Flows from Financing Activities		**710**	513
Change in Cash and Cash Equivalents		**3**	(1,082)
Cash and Cash Equivalents, beginning of period		**1,204**	2,286
Cash and Cash Equivalents, end of period		**1,207**	1,204
Adjustments to reconcile net loss to net cash flows from operating activities:			
Net Loss		**(1,797)**	(5,337)
Add back/(subtract)			
Depreciation and amortization		**291**	227
Cumulative effect of accounting change		**—**	3,213
Reduction in carrying value of certain assets	18	**1,206**	—
Payable forgiveness	18	**(1,208)**	—
Other		**61**	60
Changes in:			
Receivables		**262**	1,010
Inventories		**37**	166
Payables and other accrued liabilities		**(274)**	164
Cash Flows from Operating Activities		**(1,422)**	(497)
Supplemental Cash Flow Information:			
Interest paid		**554**	585
Noncash financing activities:			
Offset of accumulated share premium against accumulated deficit	10	**4,863**	—
Reduction of share capital par value	10	**850**	—

(*) See Accompanying Notes to Consolidated Financial Statements.

1. DESCRIPTION OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THE BUSINESS

Euro Disney S.C.A. (the "Company") and its wholly owned subsidiaries (collectively, the "Group") commenced operations on April 12, 1992, with the official opening of the Disneyland Paris Resort (the "Opening"). The Group operates the Disneyland Paris Resort, which includes Disneyland Paris Theme Park (the "Theme Park"), six hotels, the Festival Disney entertainment center, the Davy Crockett Ranch and a golf course (collectively, the "Resort") at Marne-la-Vallée, France. In addition, the Group manages the real estate development and expansion of the related infrastructure of the property. The Group owns the Disneyland Hotel, Davy Crockett Ranch, golf course and land for the hotels and leases the Theme Park and Phase IB Facilities from the Financing Companies (see terms defined below).

The Company, a publicly held French company, was owned 49% by, indirect, wholly-owned subsidiaries of The Walt Disney Company ("TWDC") at September 30, 1994 (subsequently reduced to 39% as described in Note 10), and managed by Euro Disney S.A. (the Company's Gérant), an indirect, 99%-owned subsidiary of TWDC.

Entities included in the consolidated financial statements and their primary operations/activities are as follows:

Company	**Primary Operating Activity**
Euro Disney S.C.A.	Operator of the Theme Park, Disneyland Hotel, Davy Crockett Ranch and golf course, and manager of real estate development
EDL Hôtels S.C.A.	Operator of the Phase IB hotels and Festival Disney entertainment center
Centre de Divertissements S.A. Newport Bay Club S.A. Cheyenne Hôtel S.A. Hôtel New York S.A. Sequoia Lodge S.A. Hôtel Santa Fe S.A.	Special purpose leasing companies, all 99% owned subsidiaries of EDL Hôtels S.C.A., which were created in connection with the leasing and financing of the Phase IB Facilities
EDL Services S.A.	Management company of the Phase IB Financing Companies
EDL Hôtels Participations S.A.	General Partner of EDL Hôtels S.C.A., ED Resort S.C.A., ED Resort Services S.C.A.
Euro Disney Vacances S.A.	Tour operator that sells holiday packages to the Disneyland Paris Resort, principally to guests from Germany, Italy and The Netherlands
Euro Disney Vacaciones S.A.	Wholly owned Spanish subsidiary of Euro Disney Vacances S.A.
Euro Disney Finance S.A. ED Resort S.C.A. ED Resort Services S.C.A. Val d'Europe Promotion S.A. *	Companies created for anticipated second phase financing (see below)
S.E.T.E.M.O. Imagineering S.A.R.L.	Studies and supervision of construction for the additional attractions of the Theme Park added after the Opening and the anticipated second theme park
Débit de Tabac S.N.C. **	Distributor of tobacco at Festival Disney

* Val d'Europe Promotion S.A. changed its name from ED Services S.A. in 1994.

** Created in 1993.

Phase I Financing

The Group originally had various arrangements with Euro Disneyland S.N.C. for the financing of Phase IA, and with the six companies ("SNCs") that were established for the financing of Phase IB of the Disneyland

Paris Resort (the "Phase IB Financing Companies"), as described below. As part of the Financial Restructuring (Note 2), the Company cancelled its original arrangement with Euro Disneyland S.N.C. and has established certain new arrangements with respect to substantially all of the Theme Park assets with Euro Disney Associés S.N.C. ("EDA SNC") an indirect, wholly-owned affiliate of TWDC as further described below. The Group has no ownership interest in these SNCs. Reference to the "Financing Companies or SNCs" includes Euro Disneyland S.N.C. and the Phase IB Financing Companies.

Phase IA

In November 1989, various agreements were signed between the Company and Euro Disneyland S.N.C. for the development and financing of the Theme Park. Pursuant to a sale/leaseback agreement, all of the assets of the Theme Park were sold by the Company to Euro Disneyland S.N.C. and were being leased back to the Company. As part of the Financial Restructuring (see Note 2), a new leasing structure was implemented and the original lease with Euro Disneyland S.N.C. was cancelled. Under this new lease structure, Euro Disneyland S.N.C. is leasing substantially all of the Theme Park assets to EDA SNC, which in turn is subleasing the Theme Park assets to the Company. In addition, pursuant to a sale/leaseback agreement (see Note 2), certain other assets of the Theme Park were sold by the Company and Euro Disneyland S.N.C. to EDA SNC as part of the Financial Restructuring, and are also being leased back to the Company.

Phase IB

In March 1991, various agreements were signed for the development and financing of five hotels and the entertainment center (the "Phase IB Facilities"). Pursuant to sale/leaseback agreements, the Phase IB Facilities were sold by the Company to the Phase IB Financing Companies and are being leased back indirectly through special purpose leasing companies to the operator, EDL Hôtels S.C.A.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Group's consolidated financial statements are prepared in conformity with accounting principles generally accepted in France.

Change in Accounting Method for Pre-opening and Start-up Costs

At the time of establishing the financial statements for fiscal year 1993, the Group changed its method of accounting for pre-opening and start-up costs. Effective October 1, 1992, project-related pre-opening and start-up costs are expensed as incurred. In the past, such costs were capitalized and amortized on a straight line basis over 5 or 20 years.

In 1993, the Group's management adopted revised business strategies and believes that the new accounting method was more appropriate in this context. In addition, it corresponded to a similar change in accounting method adopted by TWDC in fiscal year 1993.

The cumulative effect of the change in method as of October 1, 1992, was FF 3,213 million and was included as exceptional expense in fiscal year 1993. The impact of the change on operating income for the year ended September 30, 1993 was to reduce the loss before exceptional items by FF 338 million.

Fixed Assets

Intangible assets consist of software costs and licensee rights and are carried at cost. Amortization is computed on the straight-line method over two to ten years.

Tangible fixed assets are carried at cost. Depreciation is computed on the straight-line method based upon estimated useful lives, as follows:

• Buildings	20 to 33 years
• Infrastructure and leasehold improvements	10 to 33 years
• Furniture, fixtures and equipment	4 to 10 years

Interest costs incurred for the construction of tangible fixed assets and the acquisition and development of land are capitalized. Projects under development are capitalized to the extent technical and economic feasibility has been established.

Debt Issue Costs
Direct costs of the issuance of debt are capitalized and amortized on a straight-line basis over the life of the related debt. Upon conversion of the convertible debt, the pro-rata amount of unamortized issue costs is offset against the share premium arising from the issuance of the related shares.

Inventories
Inventories are stated at the lower of cost or market value, on a weighted-average cost basis.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash on hand and short-term investments with original maturities of three months or less. Short-term investments are stated at the lower of cost or market value.

Earnings per Share
Earnings per share is not disclosed on the Consolidated Statement of Income due to a significant change that occurred in the capital structure of the Company. Under the terms of the Financial Restructuring, 595 million additional shares were issued in August 1994. Therefore, the computation of earnings per share based on the weighted average number of shares outstanding does not provide a meaningful measure and is not comparable to the prior year.

Income Taxes
The Group files a consolidated tax return. The Group provides for deferred income taxes on temporary differences between financial and tax reporting. The Group uses the liability method under which deferred taxes are calculated applying legislated tax rates expected to be in effect when the temporary differences will reverse.

Participant Revenue
Fees billed to companies ("Participants") which enter into long-term marketing agreements with the Group for the sponsorship of attractions are recognized as revenue over the period of the applicable agreements commencing with the opening of the attraction. Fees billed to Participants prior to the Opening were recognized as revenue over the first twelve-month period subsequent to the Opening reflecting the high marketing costs incurred during this period.

Convertible Bond Redemption Premium
The liability for the convertible bond redemption premium is provided for on a straight-line basis over the term of the bonds, depending on the probability that the premium will be paid.

Financial Instruments
In the normal course of business, the Group employs a variety of off-balance sheet financial instruments to manage its exposure to fluctuations in interest and foreign currency exchange rates, including interest rate swap agreements, forward rate agreements, options on swaps, foreign currency forward exchange contracts and foreign exchange options. The Group designates interest rate instruments as hedges of debt and lease obligations, and accrues the differential to be paid or received under the agreements as interest rates change over the lives of the contracts. Gains and losses arising from foreign currency instruments are deferred and recognized in income as offsets of gains and losses resulting from underlying hedged transactions.

The Group continually monitors its positions with, and the credit quality of, major international financial institutions which are counterparties to its off-balance sheet financial instruments and does not anticipate non-performance.

Foreign Currency Transactions
Transactions denominated in foreign currencies are recorded in French francs at the exchange rate prevailing at the month-end prior to the transaction date. Receivables and liabilities denominated in foreign currencies are stated at their equivalent value in French francs at the exchange rate prevailing as of the balance sheet date. Net exchange gains or losses resulting from the translation of assets and liabilities in foreign currencies at the balance sheet date are deferred as translation adjustments. Provision is made for all unrealized exchange losses to the extent not hedged.

Reclassifications

Certain reclassifications to the 1993 comparative amounts have been made to conform to the 1994 presentation of the consolidated financial statements.

2. Financial Restructuring

In July 1993, the Company announced that it, together with TWDC, was engaging in a thorough review of the Group's financial structure. Subsequently, discussions began between the Company, TWDC, certain of the financial institutions and companies that are creditors of the Company (the "Lenders") and the Financing SNCs to explore a restructuring of the Group's finances.

On May 20, 1994, the Company, TWDC, the Financing SNCs and the Lenders executed agreements related to a financial restructuring (the "Financial Restructuring") subject to shareholders' approval. At an extraordinary general meeting on June 8, 1994, shareholders approved resolutions for the Financial Restructuring and by August 10, 1994, all agreements related to the Financial Restructuring had been executed. The Financial Restructuring is essentially comprised of concessions and contributions made by the Lenders and TWDC and the prepayment of certain outstanding loan indebtedness of the Group and the Financing SNCs with the net proceeds of the Rights Offering (defined below). The significant components of the Financial Restructuring are set forth below.

Rights Offering, Use of Proceeds and other Capital Transactions

Issuance of new shares and use of proceeds

In connection with the Financial Restructuring, the Company, TWDC, and the Lenders completed an underwriting of 595 million new shares in the form of a rights offering (the "Rights Offering"), the gross proceeds of which were FF 5,950 million. TWDC subscribed and paid cash for 49% of the Rights Offering. The remaining 51% of the shares were sold pursuant to an underwriting commitment organized by the Lenders.

Net proceeds from the Rights Offering amounted to FF 5,776 million, after applicable issuance costs and expenses, of which FF 1,549 million was used to prepay a portion of the Company's senior debt and the remaining proceeds of FF 4,227 million were loaned directly to Euro Disneyland S.N.C. and the Phase IB Financing Companies which, in turn, prepaid outstanding borrowings.

Distribution of warrants to existing shareholders

As part of the Financial Restructuring, the Company distributed 170 million warrants to shareholders of record on June 14, 1994. One warrant was distributed per share of common stock held, enabling the holders of such warrants to subscribe for one newly-issued share of the Company's common stock at a price of FF 40 for every three warrants held. The warrants have a term of ten years and may be exercised between January 1996 and July 2004.

Capital reduction

In connection with the Financial Restructuring, the Company's shareholders approved the offset of the Company's accumulated deficit of FF 4,863 million as of September 30, 1993 against existing share premium. In addition, shareholders approved the reduction of the Company's share capital from FF 1,700 million to FF 850 million, by reducing the nominal share value from FF 10 to FF 5. The share capital reduction of FF 850 million was recorded to a special equity reserve account entitled "Réserve — Réduction of Capital" and will only be used to partially absorb losses arising in fiscal year 1994, subject to shareholders' approval. The Company intends to propose to its shareholders that fiscal year 1994 losses, in excess of the FF 850 million capital reduction, be applied against share premium generated by the Rights Offering.

Lenders' Concessions

Reduction of interest payments

In connection with the Financial Restructuring, the Lenders agreed to waive aggregate interest charges payable by the Company and the Financing SNCs on outstanding debt having a net present value as of October 1, 1993 of FF 1,600 million (discounted at a rate of 7.5% from October 1, 1993).

Deferral of principal repayments

As part of the Financial Restructuring, the Lenders agreed to defer for three years from the original due dates principal payments due by the Company and the Financing SNCs on certain outstanding indebtedness.

Reclassifications
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2. Financial Restructuring
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Distribution of warrants to existing shareholders
As part of the Financial Restructuring, the Company distributed 170 million warrants to shareholders of record on June 14, 1994. One warrant was distributed per share of common stock held, enabling the holders of such warrants to subscribe for one newly-issued share of the Company's common stock at a price of FF 40 for every three warrants held. The warrants have a term of ten years and may be exercised between January 1996 and July 2004.

Capital reduction
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Reduction of interest payments
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Deferral of principal repayments
As part of the Financial Restructuring, the Lenders agreed to defer for three years from the original due dates principal payments due by the Company and the Financing SNCs on certain outstanding indebtedness.

development fee equal to FF 1,200 million, subject to the cancellation of 38.3 million of the warrants issued to TWDC in connection with the distribution of warrants to existing shareholders.

Concessions to Lenders and to The Walt Disney Company

Issuance of bonds with warrants

The Company issued to the Lenders FF 2 million of ten-year, subordinated bonds bearing interest at one percent per annum with warrants attached entitling them to subscribe for 40 million newly issued shares of the Company at a price of FF 40 per share. The warrants are exercisable from January 1996 to July 2004.

Margins increase

The margins applicable to variable interest rate debt will be increased from October 1, 1996 to September 30, 2003 on the Phase IA credit facility and from October 1, 1997 to September 30, 2003 on the Phase IB credit facility, by 0.275% and 0.334% per annum, respectively. The net present value of these margin increases is approximately FF 50 million.

Modification of debt covenants

The Financial Restructuring agreements include covenants with respect to the restructured financing arrangements between the Group and the Lenders as described in Note 13.

New Theme Park leasing structure

In connection with the Financial Restructuring, the Company entered into a new lease structure for the Theme Park with Euro Disneyland S.N.C. and EDA SNC (see Note 24).

3. TANGIBLE FIXED ASSETS

(FF in millions)

	Balance at beginning of period	Additions	Deductions	Balance at end of period
1994				
Land and secondary infrastructure	1,274	244	(143)	1,375
Buildings	1,739	430	(778)	1,391
Leasehold improvements, furniture and fixtures	597	147	(246)	498
Other	389	10	(39)	360
Construction in progress	1,490	903	(2,305)	88
	5,489	1,734	(3,511)	3,712
Accumulated depreciation	(378)	(241)	47	(572)
	5,111	1,493	(3,464)	3,140
1993				
Land and secondary infrastructure	1,349	278	(353)	1,274
Buildings	1,832	389	(482)	1,739
Leasehold improvements, furniture and fixtures	374	226	(3)	597
Other	399	28	(38)	389
Construction in progress	1,009	1,103	(622)	1,490
	4,963	2,024	(1,498)	5,489
Accumulated depreciation	(175)	(227)	24	(378)
	4,788	1,797	(1,474)	5,111

Tangible fixed assets include capitalized interest costs of FF 204 million and FF 213 million at September 30, 1994 and 1993, respectively.

At September 30, 1994, construction in progress was FF 88 million. At September 30, 1993, construction in progress primarily represented second phase costs (FF 1,120 million) and Theme Park expansion costs (FF 206 million). In connection with the Financial Restructuring, the carrying value of certain planning and development costs of the second phase were reduced by FF 1,206 million during 1994.

As part of the Financial Restructuring, EDA SNC purchased certain assets, principally Theme Park attractions, for their book value of FF 1,133 million as well as the estimated costs to complete certain assets under construction for FF 267 million. FF 114 million was incurred and recorded as construction sales and cost of

construction sales in the Consolidated Statement of Income. These assets were subsequently leased back to the Company from EDA SNC under the terms described in Note 2 above.

4. LONG-TERM RECEIVABLES

	(FF in millions) September 30, 1994	1993
Euro Disneyland S.N.C. (a)	**6,626**	3,849
Phase IB Financing Companies (b)	**2,561**	1,466
VAT — long-term receivable (c)	**80**	128
Deposits (d)	**301**	8
	9,568	5,451

(a) *Euro Disneyland S.N.C.*
Pursuant to the original Theme Park financing agreements, the Group has provided long-term subordinated loans of FF 3,849 million to Euro Disneyland S.N.C. The balance of FF 3,849 million was reduced by FF 111 million in 1994. In August 1994, the Company also provided FF 2,888 million of the proceeds from the Rights Offering to Euro Disneyland S.N.C. in the form of a subordinated loan. As part of the Financial Restructuring, Euro Disneyland S.N.C. subsequently used these proceeds to pay down FF 2,888 million of bank and CDC debt (see Note 2). The loans bear interest at a rate equal to the 3-month Paris Interbank Offering Rate ("PIBOR") which, for the year ended September 30, 1994, was 5.67%. As part of the Financial Restructuring, interest charges on the outstanding balance were reduced by 100% during the second half of fiscal year 1994 and will gradually increase through fiscal year 2003. Beginning in fiscal year 2004, the applicable interest rate will return to pre-restructuring levels. Principal payments on the original balance of FF 3,738 million commence March 31, 1999 and continue through the year 2015. Principal payments on the remaining FF 2,888 million will begin March 31, 1998 and continue through September 30, 2016. At September 30, 1994 and 1993, there was no accrued interest on these loans.

(b) *Phase IB Financing Companies*
Pursuant to the original Phase IB financing agreements, the Group has provided long-term subordinated loans of FF 1,450 million to the Phase IB Financing Companies. As part of the Financial Restructuring, the Company provided FF 1,339 million of the proceeds from the Rights Offering to the Phase IB Financing Companies which was subsequently used to prepay outstanding debt. The original balance of FF 1,450 million, reduced by FF 228 million in 1994, bears interest at 11% and has a payment term of nine years, beginning in 2001. The remaining balance of FF 1,339 million bears interest at a rate of 3-month PIBOR, which, at September 30, 1994 was 5.67%. Also due to the Financial Restructuring, interest charges on the entire outstanding balance were reduced by 100% during the second half of fiscal year 1994 and will gradually increase through fiscal year 2003. Beginning in fiscal year 1998, the interest rate on the original balance will be fixed at 6%. Repayment of this balance commences in 1999 and continues through 2015. At September 30, 1994, there was no accrued interest on these loans. At September 30, 1993, accrued interest on the original balance was FF 16 million.

(c) *VAT — Long-Term Receivable*
Following a change in the 1993 tax law relating to the Value-Added Tax, the Group has recorded a long-term receivable due from the tax authorities. This receivable is due over a period not exceeding 20 years and bears interest at a maximum rate of 4.5%.

(d) *Deposits*
In accordance with certain conditions stipulated in the Financial Restructuring, the Group is required to maintain a security deposit as a pledge for the benefit of the Phases IA and IB lenders. The deposit amounts are interest bearing and are not available to the Group until all of the senior debt pursuant to the bank debt agreements have been paid and other obligations by both the Lenders and the Group have been satisfied.

5. INVENTORIES

(FF in millions) September 30,	1994	1993
Merchandise, food and beverage	**138**	195
Supplies	**92**	99
	230	294
Allowance	**(46)**	(73)
	184	221

6. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are due primarily from tour operators, agents and travel groups, arising from sales of Theme Park entrance tickets, hotel rooms and amenities, as well as billings for Participant fees. At September 30, 1994 and 1993, FF 49 million and FF 34 million, respectively, were provided for uncollectible accounts. All amounts are due within one year.

7. OTHER ACCOUNTS RECEIVABLE

(FF in millions) September 30,	1994	1993
VAT	**408**	719
Related companies	**201**	108
Other	**154**	139
	763	966

All amounts are due within one year.

8. SHORT-TERM INVESTMENTS

Short-term investments include money market instruments and certificates of deposit, carried at cost, which approximated market value at September 30, 1994 and 1993. At September 30, 1994, no amounts were pledged pursuant to the Group's financing agreements as guarantees for future construction payments, land acquisitions, and other financial transactions.
The fair values of the Group's short term investments approximate carrying values based upon the short maturity of these instruments.

9. DEFERRED CHARGES

(FF in millions) September 30,	1994	1993
Financial contributions to public infrastructure (a)	**374**	394
Debt issue costs (b)	**74**	88
Foreign currency translation adjustments	**—**	28
	448	510

(a) *Financial contributions to public infrastructure*
This primarily consists of a payment of FF 232 million made by the Group to the S.N.C.F. (Société Nationale de Chemins de fer Français), the French national railway company, as part of its financial commitment to the construction of the T.G.V. (Train à Grande Vitesse) railway station located within the Resort. This contribution will be amortized over twenty years and commenced with the opening of the T.G.V. station in May 1994. Contributions to public infrastructure are stated net of accumulated amortization of FF 21 million and FF 8 million at September 30, 1994 and 1993, respectively.

(b) *Debt issue costs*
Debt issue costs are stated net of accumulated amortization of FF 50 million and FF 38 million at September 30, 1994 and 1993, respectively.

10. SHAREHOLDERS' EQUITY

	Shares (in thousands)	Share Capital (FF in millions)	Share Premium	Accumulated deficit
Balance at September 30, 1992	170,007	1,700	4,880	447
Conversion of 904 bonds	1			
Net loss				(5,337)
Dividends				(173)
Balance at September 30, 1993	170,008	1,700	4,880	(5,063)
Offset of accumulated losses			(4,863)	4,863
Issuance of new shares	595,029	2,975	2,975	
Rights offering costs			(174)	
Reduction of nominal share value		(850)		
Reserve — Reduction of Capital				850
Conversion of 1,107 bonds	2			
Net loss				(1,797)
Balance at September 30, 1994	765,039	3,825	2,818	(1,147)

The number of shares above represent the Company's authorized, issued and outstanding shares, at the respective dates.

As described in Note 2 above, the Company offset its accumulated deficit of FF 4,863 million against existing share premium at September 30, 1993. Subsequently, the nominal value per share of the Company's common stock was reduced from FF 10 to FF 5. The resulting reduction in share capital of FF 850 million has been recorded as an equity reserve account which is not available for distribution and will be used by the Company to absorb losses arising in fiscal 1994, subject to shareholders' approval.

In connection with the Rights Offering described in Note 2 above, the Company issued to its holders of common stock, transferable preferential rights to subscribe for seven new shares of common stock for every two shares held. At September 30, 1994, the rights had been fully subscribed resulting in the issuance of approximately 595 million shares, the net proceeds of which were FF 5,776 million after applicable issuance costs and expenses. The new shares have a nominal value of FF 5 per share and were issued at FF 10 per share.

In May 1994, United Saudi Commercial Bank ("USCB") and its Chairman, Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud ("Prince Alwaleed") executed various agreements to acquire 188.5 million shares or approximately 25% of the outstanding common stock of the Company. Pursuant to these agreements, USCB and Prince Alwaleed acquired approximately 114 million shares and the balance of approximately 74.5 million shares were purchased from EDL Holding Company, an indirect, wholly-owned subsidiary of TWDC. In October 1994, the sales of shares to USCB reduced TWDC's percentage ownership in the Company from 49% to approximately 39%. USCB and Prince Alwaleed undertook in connection with such agreements that their participation shall not exceed one half of the participation held directly or indirectly by TWDC at the end of one year following the completion of the Rights Offering.

At September 30, 1994, the Company's accumulated deficit includes a legal reserve of FF 32 million which is not available for distribution.

Dividends of FF 173 million were paid in February 1993 related to fiscal year 1992. No dividends were paid relating to fiscal 1993 and 1994.

11. BONDS REDEEMABLE IN SHARES (ORAs)

As part of the Financial Restructuring, 2,500,121 ORAs with a nominal value of FF 400 were issued on July 11, 1994. The ORAs have a coupon of one percent per annum and have a ten-year term. Upon maturity, each ORA will be redeemable by the issuance of ten shares of the Company's common stock. The accrued interest on these ORAs at September 30, 1994 was approximately FF 2 million.

12. PROVISIONS FOR RISKS AND CHARGES

At September 30, 1994, provisions for risks and charges primarily includes provisions for various claims, estimated costs on employee housing and the remaining costs related to consolidation of all staff at one site. At

September 30, 1993, the amount included the estimated cost of reorganization, including the implementation of a staff reduction program and the cost of the consolidation of all staff at one site.

13. BORROWINGS

	(FF in millions) September 30, 1994	1993
Convertible bonds (a)	**4,362**	4,327
CDC (b)	**1,108**	1,442
Phase IA credit facility (c)	**976**	2,071
Phase IB credit facility (d)	**195**	403
Crédit Foncier de France (e)	**35**	35
Other	**2**	—
	6,678	8,278

At September 30, 1994 and 1993, borrowings include accrued interest of FF 268 million and FF 360 million, respectively.

(a) *Convertible bonds*
On July 15, 1991, the Company issued 28,350,000 unsecured convertible bonds in the aggregate principal amount of FF 3,969 million, with a par value of FF 140. Interest is payable annually at 6.75% beginning October 1, 1992. At September 30, 1994 and 1993, the above borrowing amounts include accrued interest of FF 268 million and FF 272 million, respectively. Each bond is convertible into 1.361 shares of the Company's common stock. Through September 30, 1994, 9,392 bonds were converted. No bonds were purchased and canceled by the Company during fiscal year 1993 or 1994. There were 28,340,608 bonds outstanding at September 30, 1994. Unless previously converted, redeemed or purchased by the Company, the bonds will be redeemed at 110% of their principal amount on October 1, 2001. FF 126 million and FF 87 million of the redemption premium was accrued and is included in the accounts at September 30, 1994 and 1993, respectively. The fair value of the Group's convertible bonds as of September 30, 1994 was approximately FF 3,030 million based upon market quotes. Fair value approximated carrying value at September 30, 1993.

(b) *CDC loan*
In May 1992, the Company borrowed FF 1,403 million from the CDC, of which 40% was senior debt and 60% was subordinated debt ("prêts participatifs"), maturing 20 years from the drawing date. This loan bears interest at a fixed rate of 7.85%, although under the terms of the Financial Restructuring the interest has been reduced by 100% during the second half of fiscal year 1994, and will gradually increase through fiscal year 2003. Beginning in fiscal year 2004, all outstanding balances will bear interest at pre-restructuring levels. Additionally, as part of the Financial Restructuring, a portion of the proceeds from the Rights Offering was used to prepay FF 295 million of the senior CDC debt. The senior debt is secured by the underlying land and assets of the Theme Park, Disneyland Hotel and Davy Crockett Ranch. The subordinated debt is unsecured. Principal repayments begin in 2002.

(c) *Phase IA credit facility*
In December 1992, the Company borrowed FF 1,295 million pursuant to a credit agreement in order to finance costs associated with the Phase IA facilities bearing interest at PIBOR plus 1% (6.67% at September 30, 1994). In March 1993, the Company borrowed an additional FF 730 million under the same credit agreement, which bears interest ranging from PIBOR plus 0.24% (5.91% at September 30, 1994) to 9.25%. As part of the Financial Restructuring, the Company applied a portion of the proceeds from the Rights Offering to prepay approximately FF 1,049 million of outstanding borrowings under this facility. In addition, interest charges on the outstanding balance following the prepayment were reduced by 100% during the second half of fiscal year 1994 and will gradually increase through fiscal year 1996. Beginning in fiscal year 1997, the applicable interest rates will return to pre-restructuring levels plus an additional margin of 0.275% per annum through September 30, 2003. The obligations under the credit facility are secured by the Phase IA assets. Principal repayments were initially scheduled to commence, depending on the borrowing, in either 1997 or 1998, with all debt balances maturing in 2006. Pursuant to the terms of the Financial Restructuring, initial principal repayments have been deferred to 2000 or 2001, respectively.

(d) *Phase IB credit facility*
Prior to fiscal year 1994, the Company borrowed FF 400 million pursuant to a credit agreement entered into by EDL Hôtels S.C.A., bearing interest at PIBOR plus 1% (6.67% at September 30, 1994). As part of the Financial Restructuring, the Company applied a portion of the proceeds from the Rights Offering to prepay approximately FF 205 million of outstanding borrowings under this facility. In addition, interest charges on the outstanding balance following the prepayment were reduced by 100% during the second half of fiscal year 1994 and will gradually increase through fiscal year 1997. Beginning in fiscal year 1998, the applicable interest rate will return to pre-restructuring levels plus an increase of 0.334% per annum through September 30, 2003. The obligations under the credit facility are secured by the Phase IB assets. Principal repayments were initially scheduled to be made beginning fiscal year 1995. Pursuant to the terms of the Financial Restructuring, initial principal repayments have been deferred to 1998.

(e) *Crédit Foncier de France*
In June 1992, the Company borrowed FF 35 million from the Crédit Foncier de France for the construction of cast member housing, secured by the related assets, bearing interest at a rate of 3-month PIBOR minus 0.3% (5.37% at September 30, 1994). Principal repayments began in 1994 and continue through 2017.

The Group's borrowings at September 30, 1994 have the following scheduled maturities:

	(FF in millions)
1995	—
1996	—
1997	—
1998	7
1999	14
Thereafter	6,263
	6,284

The Financial Restructuring agreements include covenants with respect to the restructured financing arrangements between the Group and the Lenders. These covenants include restrictions on additional indebtedness and capital expenditures, the provision of certain financial information and compliance with financial ratio thresholds.

As part of the Financial Restructuring, TWDC has agreed to make available, upon the request of the Company, an unsecured FF 1,100 million standby revolving credit facility. This facility will have a maturity of 10 years and amounts drawn under the facility will bear interest at PIBOR. At September 30, 1994, the Company has not yet requested TWDC to establish this facility.

Fixed assets with a book value of FF 1,621 million at September 30, 1994, are mortgaged as security under Phase IA, Phase IB, and other loan agreements.

14. PAYABLE TO RELATED COMPANIES

(FF in millions) September 30,	1994	1993
Euro Disney S.A. (a)	—	990
The Walt Disney Company (Netherlands) B.V. (b)	—	83
Euro Disneyland S.N.C. and EDA SNC (c)	**64**	672
Other	**13**	8
	77	1,753

All amounts are due within one year.

(a) *Euro Disney S.A.*
Represents amounts incurred on behalf of the Group, primarily for construction and reimbursement of operating costs. During the years ended September 30, 1994 and 1993, Euro Disney S.A. incurred

reimbursable costs of FF 390 million and FF 1,480 million, respectively. Under the terms of the Financial Restructuring (see Note 2), these amounts were included as part of the payable forgiveness by TWDC.

(b) *The Walt Disney Company (Netherlands) B.V.*
Represents royalties payable to The Walt Disney Company (Netherlands) B.V. pursuant to a license agreement governing intellectual property rights owned by TWDC. Under the terms of the Financial Restructuring (see Note 2), these amounts have been waived by TWDC beginning October 1, 1993 through September 30, 1998.

(c) *Euro Disneyland S.N.C. and EDA SNC*
Represents rent payable pursuant to the Theme Park leases and sub-lease (see Note 24).

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	(FF in millions) September 30, 1994	1993
Suppliers	**961**	1,046
Payroll and employee benefits	**187**	199
Business tax and other taxes	**112**	50
VAT	**290**	113
Other	**303**	232
	1,853	1,640

All amounts are due within one year.

16. DEFERRED REVENUES

These consist primarily of land grants, participant revenues and a gain on the sale of assets, recognized as income over the term during which the assets are leased back to the Group.

17. CONSTRUCTION SALES AND RELATED SERVICES

During the year ended September 30, 1994, certain assets of the Theme Park were sold to EDA SNC for FF 114 million (see Notes 2 and 3). In 1993, Euro Disneyland S.N.C. purchased assets from the Company for FF 781 million.

18. EXCEPTIONAL INCOME AND LOSS

	(FF in millions) Year ended September 30, 1994	1993
Cumulative effect of the change in accounting (a)	**—**	(3,213)
Provisions for risks and charges (b)	**(103)**	(464)
Base management fee deferral (c)	**—**	145
Costs related to the Financial Restructuring (d)	**(406)**	—
Payable forgiveness (e)	**1,208**	—
Reduction in carrying value of certain assets (f)	**(1,206)**	—
Other	**(8)**	(92)
	(515)	(3,624)

(a) *Cumulative effect of the change in accounting*
As described in Note 1, this represents the cumulative effect of the change in accounting for pre-opening and start-up costs as of October 1, 1992.

(b) *Provisions for risks and charges*
For the year ended September 30, 1994, this amount primarily represents various legal costs. For the year ended September 30, 1993, this amount primarily represents costs relating to the staff reduction and office consolidation.

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(b) *Provisions for risks and charges*
For the year ended September 30, 1994, this amount primarily represents various legal costs. For the year ended September 30, 1993, this amount primarily represents costs relating to the staff reduction and office consolidation.

Management believes no significant concentration of credit risk exists with respect to the Group's financial instruments. The Group utilizes a variety of off-balance-sheet financial instruments for hedging purposes. At September 30, 1994 and 1993, neither the Group nor the counterparties were required to collateralize their respective obligations under these hedging instruments.

The following table summarizes by notional amounts the activity for each major category of interest rate hedging instruments:

	(FF in millions)			
	Interest Rate Swaps	Forward Rate Agreements	Swaptions	Total
Balance at September 30, 1993	5,300	2,800	900	9,000
Additions/Adjustments	1,169	1,800	800	3,769
Maturities/Amortization	(1,000)	(4,100)	(1,700)	(6,800)
Terminations	(4,619)	—	—	(4,619)
Balance at September 30, 1994	850	500	—	1,350

For the year ended September 30, 1994, interest expense includes FF 57 million related to the unwinding of certain interest rate financial instruments occurring as a result of the Financial Restructuring. A one percent increase or decrease in interest rates would not have resulted in a material impact to the financial statements.

22. EXPOSURE TO CURRENCY RISK

The Group's policy is to protect itself to the extent practical from the effects of fluctuations in the foreign exchange markets. The Group's exposure to foreign currency risk historically related primarily to variations in the value of the U.S. dollar, as certain liabilities and commitments to a wholly-owned subsidiary of TWDC were denominated in this currency. In connection with the Financial Restructuring, substantially all liabilities and commitments to TWDC were forgiven and the notional amount of related hedge contracts has been reduced accordingly.

At September 30, 1994 and 1993, the Group had FF 314 million and FF 1,615 million, respectively of foreign currency hedge contracts outstanding, consisting principally of forward exchange contracts and options expiring primarily between October 1994 and November 1995. No material impact to the financial statements resulted from foreign currency hedging operations in 1994.

As of September 30, 1994, the Group had deferred FF 2.7 million of gains relating to its hedging instruments. The amount is expected be to amortized in fiscal year 1995.

23. COMMITMENTS AND CONTINGENCIES

There are various legal proceedings and claims against the Group related to construction and other activities incident to the conduct of its business. Management has established provisions for such matters and does not expect the Group to suffer any material liability by reason of such actions, nor does it expect that such actions will have a material effect on its liquidity or operating results.

The Company is jointly liable for all Euro Disneyland S.N.C. obligations under the Phase IA credit agreement with a syndicate of international banks consisting of a main facility of FF 2,100 million.

EDL Hôtels S.C.A. has guaranteed all of the obligations of the Phase IB Financing Companies under the Phase IB senior credit facility with a syndicate of banks, consisting of a main facility of FF 1,100 million.

24. LEASED ASSETS

The Group has entered into lease agreements with EDA SNC and the Financing Companies for the Theme Park and the Phase IB Facilities. In conformity with French accounting principles, the Group has not capitalized these leases and has accounted for them as operating leases. The rental expense under these leases approximates the Financing SNCs related debt service payments, which fluctuate with variable interest rate changes and principal repayments.

The original leases for the Theme Park and the Phase IB Facilities commenced April 12, 1992 and were to end when the underlying borrowings and interest were repaid in full by the Financing SNCs; however, a new

leasing structure for substantially all of the Theme Park assets has been implemented pursuant to the terms of the Financial Restructuring. Previously, the Company leased the Theme Park directly from Euro Disneyland S.N.C. under a *crédit-bail* with a term of approximately 20 years. Under the new lease structure, effective June 30, 1994, the original *crédit-bail* was cancelled and a new *crédit-bail* established whereby Euro Disneyland S.N.C. leases the Theme Park to EDA SNC with terms similar to the original *crédit-bail*. The Company in turn, is subleasing the Theme Park from EDA SNC for a term of 12 years with rent equal to the net amount invoiced by Euro Disneyland S.N.C. to EDA SNC. In addition, EDA SNC applies a 0.5% margin to the net amount invoiced. At the end of the sublease term, the Company will have the option to acquire the leasehold position of EDA SNC. If the Company does not exercise this option and thereby elects to discontinue leasing the Theme Park, EDA SNC may continue to lease the assets, with an ongoing option to purchase them for an amount approximating the balance of Euro Disneyland S.N.C. outstanding debt. Alternatively, EDA SNC could terminate the lease, in which case EDA SNC would pay Euro Disneyland S.N.C. an amount equal to 75% of its then-outstanding debt; EDA SNC could then sell or lease the assets on behalf of Euro Disneyland S.N.C., in order to satisfy the remaining debt, with any excess proceeds payable to EDA SNC. These leasing arrangements are being finalized with certain French governmental entities.

In addition, as part of the Financial Restructuring, EDA SNC purchased certain assets, principally Theme Park attractions, for their book value of FF 1,133 million as well as the estimated costs to complete certain assets currently under construction for FF 267 million. These assets were subsequently leased back to the Company by EDA SNC under the terms described in Note 2 above.

Rental expense was FF 889 million and FF 1,712 million for the years ended September 30, 1994 and 1993, respectively.

Future minimum rental commitments under noncancelable operating leases at September 30, 1994 are as follows:

	(FF in millions)		
	Theme Park	Phase IB Facilities	Total
1995	179	50	229
1996	309	85	394
1997	614	193	807
1998	769	320	1,089
1999	829	365	1,194
Beyond 1999	7,485	7,450	14,935
Total	10,185	8,463	18,648

In the event the Company decides to acquire the leasehold position of EDA SNC at the completion of the 12-year lease term, the Company would become obligated to pay FF 15,059 million in option and future rental payments over the subsequent ten years.

Rental commitments are based on an estimated interest rate of 6%.

As operating leases, the cost and depreciation of the assets and underlying borrowings are not included in the Group's consolidated financial statements. These amounts, which are carried by the Financing SNCs, are summarized as follows:

	(FF in millions)			
	Cost	Accumulated Depreciation	Net Book Value at September 30, 1994	Estimated Useful Lives
Land and secondary infrastructure	1,968	(182)	1,786	10 to 25 years
Buildings, rides and attractions	13,155	(1,500)	11,655	25 to 33 years
Furniture, fixtures & equipment	1,081	(173)	908	4 to 10 years
Construction in progress	605	—	605	
	16,809	(1,855)	14,954	

Depreciation above is computed on the straight-line method based upon estimated useful lives. Depreciation expense was FF 720 million and FF 751 million for the years ended September 30, 1994 and 1993, respectively.

At September 30, 1994, borrowings and accrued interest specific to these assets were FF 17,457 million, including FF 9,187 million due to the Group.

The Group has other operating leases, primarily for office space, office and computer equipment and vehicles, for which total rental expense was FF 188 million and FF 208 million for the years ended September 30, 1994 and 1993, respectively. Future minimum rental commitments under these non-cancelable operating leases as of September 30, 1994 are as follows:

	(FF in millions)
1995	63
1996	35
1997	23
1998	12
1999	11
Thereafter	4

25. Employees

The number of cast members employed by the Group was:

	September 30, 1994	1993
Cadres	**1,492**	2,016
Non-cadres	**8,680**	9,849
	10,172	11,865

Total employee costs for years ended September 30, 1994 and 1993 were FF 1,892 million and FF 2,108 million, respectively.

All cast members participate in pension plans in accordance with French laws and regulations. Cadre cast members also participate in a supplemental defined contribution pension plan. Contributions to all plans, which are shared by the cast member and the Group, are based on gross wages and are expensed as incurred. The Group has no future commitments with respect to these plans.

A retirement indemnity is paid to cast members who retire from the Group after completing a defined number of service years, in an amount not to exceed 1.5 months of gross wages. No provision in this respect was recorded for the years ended September 30, 1994 or 1993 as any amounts eventually due are considered to be insignificant.

26. DIRECTORS' FEES

During the years ended September 30, 1994 and 1993, fees paid to members of the Company's Supervisory Board were FF 1 million and FF 1 million, respectively.

27. SUMMARY OF DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES ADOPTED BY THE COMPANY AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE U.S. AND SUPPLEMENTAL DISCLOSURES

Reconciliation to U.S. GAAP

As a result of the Rights Offering described in Note 2, Euro Disney S.C.A. is required to file an annual form 20-F within six months of September 30 each year.

As explained in the summary of significant accounting policies, the consolidated financial statements have been prepared in accordance with accounting principles generally accepted in France ("French GAAP"). French GAAP varies in certain significant respects from accounting principles generally accepted in the United States ("U.S. GAAP") particularly those related to the assets of the Theme Park and Phase IB facilities,

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Lease and interest adjustments
A majority of the Group's assets, including the Theme Park and Phase IB Facilities are leased under various arrangements. Under French GAAP, the Group has not capitalized these leases and is accounting for them as operating leases. Under U.S. GAAP, the underlying assets and liabilities and related depreciation and interest expense are reflected in the Group's financial statements.

Additionally, the Company completed a FF 1,400 million sale/leaseback agreement with EDA SNC (as described in Notes 2 and 24), which under French GAAP has been recorded as a sale of certain Theme Park assets and an operating lease. For U.S. GAAP, this transaction is considered a financing arrangement at a rate below market levels, and adjustments are required to discount the liability to reflect the current market interest rate at the inception of the lease. As a result, the liability was discounted to approximately FF 908 million. The discount will be accreted as additional interest expense over the term of the lease.

For U.S. GAAP, all interest charges relating to debt instruments whose interest rates are scheduled to change or have interest "holidays" or forgiveness periods are required to be calculated in accordance with the "effective interest method." This method calculates the estimated interest charges over the life of the debt, and allocates this amount evenly over the term of the debt using an effective yield. This adjustment resulted in additional interest expense in 1994 as interest expense calculated using this method exceeded actual interest paid.

Resort Assets
Under French GAAP, the Resort assets are depreciated under the straight-line method over their useful lives of two to thirty-three years. For U.S. GAAP, the equivalent useful lives range between two and forty years.

Bonds redeemable in shares
Under French GAAP, the ORAs have been recorded at face value (FF 1,000 million) as a separate component of the balance sheet. For U.S. GAAP, the ORAs have been recorded at the discounted fair value of approximately FF 324 million and included with the Company's outstanding borrowings.

Shareholders' equity
Under French GAAP, the Company offset accumulated losses of approximately FF 4,863 million at September 30, 1993, against existing share premium. Under U.S. GAAP, the offsetting of accumulated losses is permitted only in certain limited circumstances. Accordingly, the offsetting of the Company's accumulated losses against share premium is reversed for U.S. GAAP purposes.

Deferred Taxes
Deferred taxes, provided in prior years, were reversed at September 30, 1992, and have not been reinstated since the Group generated losses for the years ended September 30, 1994 and 1993.

In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 109 ("SFAS 109") *Accounting for Income Taxes*. The standard changed the method of accounting for income taxes to an asset and liability approach. The standard was adopted in 1993, retroactive to October 1, 1992. Under SFAS 109, the Group's net operating loss carryforwards of FF 7 billion generate deferred tax assets at September 30, 1994. The Group has established a 100% valuation allowance against these assets due to the uncertainty of ultimate realization of tax benefits. The Group has net operating loss carryforwards of FF 7 billion expiring through 1999.

Borrowings

As described in Note 24, the Group has not capitalized the leases of the Theme Park and the Phase IB Facilities but has accounted for them as operating leases. Under U.S. GAAP, the leases would be capitalized. Set out below is a schedule of the borrowings of the Financing SNCs and the Group's liability for the sale/leaseback financing arrangement relating to the assets underlying these leases.

	(FF in millions) September 30, 1994	1993
CDC loan (a)	**2,370**	3,000
Phase IA credit facility (b)	**2,098**	4,355
Phase IB credit facility (c)	**1,115**	2,290
Phase IA partners' advances (d)	**2,000**	2,000
Phase IB partners' advances (e)	**636**	800
EDA SNC financing arrangement	**908**	—
	9,127	12,445

(a) *CDC loan*

Loan consists of both senior debt and subordinated debt. Senior debt is collateralized by the land of the Theme Park, Disneyland Hôtel and Davy Crockett Ranch. The debt bears interest at a fixed rate of 7.85%. Principal repayments commence in fiscal year 2000.

(b) *Phase IA credit facility*

The Phase IA credit facility consists of three tranches of debt, drawn against a facility of FF 4,500 million and collateralized by a mortgage on the Theme Park, Disneyland Hôtel and Davy Crockett Ranch. The Company is a co-obligor on this facility. Interest rates on the different tranches range between PIBOR plus .24% (5.91% at September 30, 1994) and a fixed rate of 8.35%. Principal repayments commence in 1998.

(c) *Phase IB credit facility*

Drawn against a facility of FF 2,300 million from a syndicate of banks and secured by the five Phase IB hotels and entertainment center. The debt bears interest at PIBOR plus 1.0% (6.67% at September 30, 1994). Principal repayments commence in 1998.

(d) *Phase IA partners' advances*

Related to Phase IA assets. The two tranches of debt bear interest at PIBOR plus 4.5% (10.17% at September 30, 1994) and a fixed rate of 3.0%. Principal repayments are scheduled to commence in 2010.

(e) *Phase IB partners' advances*

Senior debt related to Phase IB assets collateralized by Phase IB buildings and fixtures. The different tranches of debt bear interest at PIBOR plus 1.0% (6.67% at September 30, 1994) and a fixed rate of 3.0%. Principal repayments are scheduled to commence in 2006. Amount includes FF 124 million of bank borrowings.

Under the terms of the Financial Restructuring, the interest rates on these outstanding borrowings have been reduced by 100% during the second half of fiscal year 1994 and will gradually increase over varying periods (see Notes 2 and 13).

These outstanding borrowings have the following scheduled maturities as of September 30, 1994:

	(FF in millions)
1995	—
1996	—
1997	10
1998	47
1999	62
Thereafter	9,008
	9,127

PSAudit
Membre de Price Waterhouse
Tour AIG
34 Place des Corolles
92908 Paris La Défense 2

François Martin
76 rue de Monceau
75008 Paris

GENERAL REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

as at September 30, 1994

To the Shareholders of
EURO DISNEY S.C.A.
Chessy Montévrain

In compliance with the assignment entrusted to us at the Shareholders' annual general meeting of March 14, 1994, we hereby report to you on:

— the audit of the accompanying financial statements of Euro Disney S.C.A. and its subsidiaries showing a net shareholder's equity amounting to F 5,496 million and a net loss of F 1,797 million for the year ended September 30, 1994; and

— the verification of the report on the management of the Group, for the year ended September 30, 1994.

1. Opinion on the consolidated financial statements

We have audited the consolidated financial statements of the Group by performing the procedures we considered necessary in accordance with French professional standards.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position and its assets and liabilities as at September 30, 1994, and the results of operations and cash flows of the companies included in the consolidation for the year then ended.

2. Specific verifications

We have also carried out the specific verifications required by Law, in accordance with French professional standards.

We have no comment to make as to the fair presentation and the conformity with the consolidated financial statements of the information given on the management of the Group.

Paris, November 29, 1994

The Statutory Auditors

PSAudit
Member of Price Waterhouse

Pascale Chastaing-Doblin

François Martin

GENERAL REPORT OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

We are pleased to present to you our report for the year ended September 30, 1994.

During the fiscal year ended September 30, 1994, the Disneyland Paris theme park welcomed 8.8 million guests and the average hotel occupancy rate was 60%.

We do not feel that it is necessary for your Board to make any particular comments on the management report of the Gérant which we have reviewed and which has been submitted to you.

The net loss for the year was 1.8 billion francs, which included a loss before exceptional items of 1.3 billion francs and an exceptional loss of 0.5 billion francs due principally to the exceptional charges relating to the financial restructuring.

Taking note of the above, we propose that you approve the Company's financial statements at September 30, 1994, as they are presented to you, including the operations that they record and the management of the Gérant that they reflect. We also suggest that you approve the allocation of the net loss proposed to you.

We propose that you renew the mandates of two members of the Supervisory Board for a further three years.

We recommend that you approve the resolution authorizing your Gérant to purchase and sell shares in your Company on stock exchanges in order to stabilize possible fluctuations in the value of the shares.

Finally, pursuant to the provisions of article 6.3. (e) of the by-laws, we inform you that you will be asked during this meeting to grant your Gérant various authorizations to issue bonds, shares of the Company, warrants of the Company giving right to subscribe to shares of the Company and other marketable securities entitling the holder to securities representing, immediately upon or following issuance, a share in the capital of your Company. The purpose of these authorizations is to allow your Gérant, in the interests of the Company, to take advantage of a possible favorable evolution of the financial markets, in particular in order to refinance the indebtedness of the Company or to finance possible developments or extensions of the Project within the limits authorized by the agreements relating to the financial restructuring of the Company. The various securities and the different terms and conditions of issuance for which such authorizations are requested are intended to place your Gérant in a position to call upon the financial markets in France and abroad under the most favorable conditions. The increase of the share capital allowed pursuant to these authorizations is limited to a total amount of one billion French francs, or approximately 26% of the current capital of your Company, not including adjustments which could be made pursuant to law. It should be noted that the issues of marketable securities which may be realized by virtue of the delegation granted under the fifteenth resolution will be made with shareholders' preferential subscription rights or, as permitted pursuant to the sixteenth resolution, with waiver of such preferential subscription rights and on pricing terms provided for by law, it being understood that shareholders could be granted a priority period for subscription for the issues to be made in the French market.

We propose that you grant your Gérant these authorizations.

Paris, February 2, 1995
The Supervisory Board

Jean Taittinger

Jean Taittinger

SHARE PRICE AND TRADING VOLUME

	Prices (Paris)* High FF	Low FF	Number of shares traded (thousands by month) RM-Paris	SEAQ-London	DR-London	Brussels
1992						
October	34.93	26.39	8,022	9,334	2,863	469
November	35.14	26.09	9,448	12,618	2,225	467
December	28.76	24.19	9,314	14,543	516	382
1993						
January	29.54	25.87	6,772	9,298	478	367
February	34.93	28.09	7,996	9,924	728	419
March	42.69	34.28	8,583	11,563	709	422
April	41.65	29.84	8,009	7,396	404	594
May	33.07	27.90	5,843	5,443	311	560
June	31.05	27.94	5,985	7,258	247	440
July	30.05	23.33	8,813	10,170	535	854
August	28.35	23.50	9,147	15,236	694	614
September	28.31	23.85	9,750	12,994	347	532
October	25.79	20.70	8,389	8,943	422	684
November	21.56	10.22	39,039	51,064	2,186	4,533
December	16.30	12.12	20,884	11,841	1,678	2,742
1994						
January	16.49	13.11	13,777	5,692	1,723	2,172
February	16.30	13.80	10,174	5,074	2,067	1,123
March	17.16	13.07	26,807	18,963	2,370	4,239
April	14.62	13.37	6,822	6,343	692	609
May	14.88	12.16	10,466	7,636	694	1,888
June	18.70	11.70	39,273	32,592	6,625	6,607
July	12.15	9.80	49,057	24,583	2,024	4,651
August	11.70	7.55	134,117	143,867	2,978	13,258
September	9.85	7.70	40,247	28,716	946	4,333
October	7.95	6.15	21,983	9,336	772	3,668
November	9.75	6.70	30,644	17,092	1,615	6,389
December	11.90	8.70	35,026	16,312	846	4,907
1995						
January	12.50	9.80	—	—	—	—

* Following the rights issue and the free distribution of warrants, the Société des Bourses Françaises applied a correcting coefficient of 0.431 to the share prices prior to the financial restructuring in June 1994. (See Notes to the Consolidated Financial Statements)

SHARE PRICE AND TRADING VOLUME

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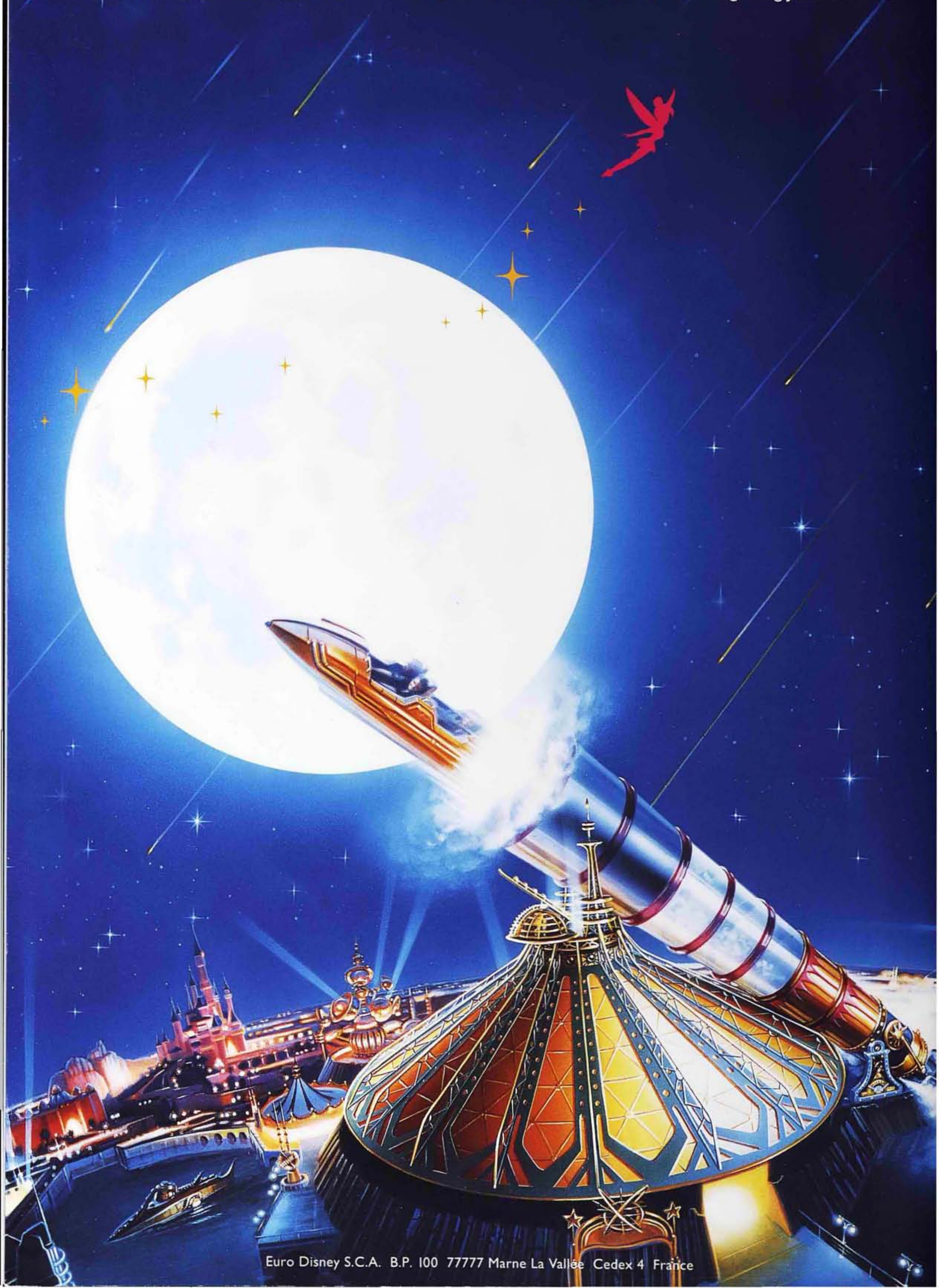
May	33.07	27.90	5,843	5,443	311	560
June	31.05	27.94	5,985	7,258	247	440
July	30.05	23.33	8,813	10,170	535	854
August	28.35	23.50	9,147	15,236	694	614
September	28.31	23.85	9,750	12,994	347	532
October	25.79	20.70	8,389	8,943	422	684
November	21.56	10.22	39,039	51,064	2,186	4,533
December	16.30	12.12	20,884	11,841	1,678	2,742
1994						
January	16.49	13.11	13,777	5,692	1,723	2,172
February	16.30	13.80	10,174	5,074	2,067	1,123
March	17.16	13.07	26,807	18,963	2,370	4,239
April	14.62	13.37	6,822	6,343	692	609
May	14.88	12.16	10,466	7,636	694	1,888
June	18.70	11.70	39,273	32,592	6,625	6,607
July	12.15	9.80	49,057	24,583	2,024	4,651
August	11.70	7.55	134,117	143,867	2,978	13,258
September	9.85	7.70	40,247	28,716	946	4,333
October	7.95	6.15	21,983	9,336	772	3,668
November	9.75	6.70	30,644	17,092	1,615	6,389
December	11.90	8.70	35,026	16,312	846	4,907
1995						
January	12.50	9.80	—	—	—	—

* Following the rights issue and the free distribution of warrants, the Société des Bourses Françaises applied a correcting coefficient of 0.431 to the share prices prior to the financial restructuring in June 1994. (See Notes to the Consolidated Financial Statements)

Space Mountain: Disneyland Paris launches guests from the earth to the moon beginning June 1st 1995.



Euro Disney S.C.A. B.P. 100 77777 Marne La Vallée Cedex 4 France